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SUBJECT: MEDIA REACTION: A/S VALENZUELA VISIT TO ARGENTINA; 12/18/09;
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11. SUMMARY

December 17 newspapers reported on Assistant Secretary Valenzuela's remarks during his December 15-16 visit to Argentina about the views of U.S. investors regarding legal insecurity and excessive state intervention, which he contrasted with the more positive mood during a 1996 visit. Daily-of-record "La Nacion," business-financials "Ambito Financiero" and "El Cronista" echoed Valenzuela's remarks focusing on the need for legal security, while left-of-center "Pagina 12" and pro-government "Buenos Aires Economico" were critical of an alleged nostalgia for the Menem administration, with "Pagina 12" stating that Valenzuela's meeting with VP Cobos was not tactful. December 18 local dailies report on an "escalation" in the US-Argentine spat with Argentine Ambassador to the U.S. Hector Timerman accusing US President Obama of veering to the right "in the last 48 hours" in his policy on Argentina. Daily-of-record "La Nacion" and conservative "La Prensa" are supportive of the U.S. and blame the Argentine government for its lack of compliance with legal rules. END SUMMARY.

- "The real progressive attitude"

Daily-of-record "La Nacion" (circulation 160,000) carries an opinion piece by political columnist Fernando Laborda, who writes (12/17), "CFK has forgotten her personal commitment to institutional quality from the time she took office. At least this is what both Assistant Secretary for Latin America Arturo Valenzuela and Supreme Court Judge Carmen Argibay believe. Both of them have targeted one of the weakest points of the Kirchner administration, legal insecurity, which is one of main concerns of local and foreign businessmen and investors.

"The U.S. companies' concern is not something new. The striking thing about it is that it was made public by an envoy of Barack Obama, and the novelty for the CFK administration is that there does not seem to be substantial differences between a Democratic administration (just like Obama's) and a Republican one (such as George W. Bush's) on US policy towards Latin America. In both cases, they are trying energetically to defend the interests of the U.S. businessmen all over the world.

"Neither Judge Argibay's progressive attitude nor Obama's seem to be in alignment with the Kirchners' concept of the same. Perhaps the time has come for the presidential couple to understand that a truly progressive attitude, just like a revolutionary one, lies today in honoring legal security and power division."

- "Valenzuela's nostalgia and the Department of State's scolding the 'backyard'"

Carlos Eichelbaum, columnist of "Buenos Aires Economico," writes (12/17), "It is understandable that U.S. businessmen preferred Carlos Menem, Domingo Cavallo and Roque Fernandez's 'economic handlings'. The then Labor Minister Armando Caro Figueroa would not have dared to react just like Carlos Tomada did at the permanent infringement on laws and court rulings incurred into the Argentine branch of Kraft multinational corporation, which is precisely a U.S. company."

"Valenzuela's remarks are aligned with the US's brand-new decision to launch warnings to discipline its 'backyard,' particularly those Latin American governments that have revealed attitudes of greater independence from Washington."

"Rather than specific critical statements of business conditions for U.S. corporations, Valenzuela's comments seem to be intended to demonstrate that the channels of communication Hillary opened also include Buenos Aires."

- "Victims of their own deeds"

Daily-of-record "La Nacion" carries an opinion piece by political analyst Joaquin Morales Sola, who writes (12/18), "Arturo Valenzuela did not come (to Buenos Aires) to have a dispute with the Kirchners, but he is used to speaking his mind, particularly when he discovers that the interests of his country are at risk. The most important U.S. official for Latin America certainly has full knowledge of what is going on in Argentina... The Assistant Secretary's remarks on legal insecurity are in line with those of U.S. Ambassador Vilma Socorro Martinez just a few days ago. This is not by chance. They surely voiced the Obama administration's well-known opinion on the Argentine situation."

"What cannot be understood is why the presidential couple ordered three ministers to respond to Valenzuela. A possible answer is that the Kirchners always want to have the last word. Another choice is that the Kirchners have decided, without any formal announcement, to be part of the Latin American current led by Hugo Chavez, which seriously questions the Obama administration. What will the local government do then with Iran, with which it is in a conflict along with the US? Even though the Kirchners always believe they are victims of various situations, they themselves trigger those situations."

- "The nostalgia for '96 and a meeting with an opponent VP"

Left-of-center "Pagina 12" (circulation 15,000) carries an opinion piece by international analyst Luis Bruschtein, who opines (12/17), "The visit of the new Assistant Secretary of State for Western Hemisphere Affairs, Arturo Valenzuela, left little, if anything, for those who expected a change in the US policy towards Latin America."

"Valenzuela's meeting with VP Julio Cobos could be more sensitive than a rebuff to the Government from both Valenzuela and Cobos. Valenzuela could appear as an 'accomplice' of the institutional anomaly implied in the fact that a vice president is also an opposition leader. The meeting was hardly a 'diplomatic' gesture from the visitor.

"Valenzuela's remarks that U.S. businessmen are nostalgic for 1996 imply a 'slap on the face' that almost no one expected from an Obama envoy.

"While Valenzuela met with other members of the opposition, his meeting with VP Cobos implied a higher commitment because by doing so, Valenzuela infringed on basic diplomatic premises."

- "A message with Obama's wink"

Fernando Gonzalez, editor of business-financial "El Cronista," (circulation 12,000) writes (12/17), "The relationship between the Cristina Kirchner and the Obama administrations did not start well. On January 20, when Barack Obama was sworn in (the first black president in the US history), the Argentine President was photographed in Cuba with Raul Castro during a visit to the island. Obama has already met with Lula, Michelle Bachelet and Tabare Vazquez, although he has not met with CFK... This is why one can understand the current spat between both governments sparked by

Assistant Secretary for Western Hemisphere Affairs Arturo Valenzuela's remarks that U.S. businessmen are 'concerned' over legal insecurity. The problem for the Kirchners is that Obama is not the only one who thinks that legal security is being affected in the country, although he is the most powerful man who says it and he has just conveyed a public message of huge importance to them."

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